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FISCAL IMPACT STATEMENT

LS 6277

BILL NUMBER: HB 1461

NOTE PREPARED: Dec 8, 2002

BILL AMENDED:

SUBJECT: School Facilities Standardized Plans.

FIRST AUTHOR: Rep. Whetstone

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill requires the Department of Education to develop and make available to school corporations standardized plans for new school facilities that are ready to be bid for construction. It requires a school corporation that proposes to build a new facility to determine whether a standardized plan meets the needs of the school corporation and, if it determines a nonstandardized facility is necessary, to give notice of the determination and, upon petition by registered voters, submit the question of the construction of the facility to a referendum.

Effective Date: July 1, 2003.

Explanation of State Expenditures: The Department of Education (DOE) would likely need to add staff who can develop or modify a series of plans for new school facilities. Prior to 1995, DOE employed four professional staff to review construction proposals.

Assuming that at least two staff members at \$46,941 and one secretary at \$23,822 would be needed to perform this function, a portion of the cost would be \$166,880 for FY 2004 and \$167,943 for FY 2005. The funds and resources required above could be supplied through a variety of sources, including the following: (1) Existing staff and resources not currently being used to capacity; (2) Existing staff and resources currently being used in another program; (3) Authorized, but vacant, staff positions, including those positions that would need to be reclassified; (4) Funds that, otherwise, would be reverted; or (5) New appropriations. DOE had 72 vacant positions worth \$1.8 M as of December 2, 2002. Ultimately, the source of funds and resources required to satisfy the requirements of this bill will depend upon legislative and administrative actions.

The initial development of the variety of standardized plans is probably more than two staff people can accomplish. The plans must be developed for different sizes and types of schools. For the first year, DOE will probably need to contract with architects, engineers, or other professionals to assist in the development of standardized plans since the plans have to be developed by June 30, 2002. School construction projects included architect fees of \$43.3 M for CY 2000 and \$39.8 M for CY 2001. The school construction included new facilities, additions, and remodeling, so the architect fees for new facilities would be less than \$43.3 M for CY 2000 or the \$39.8 M for CY 2001. The cost would depend on the number of plans developed by DOE and by outside consultants, but DOE costs could range from \$2 M to \$3 M in the first year.

Explanation of State Revenues:

Explanation of Local Expenditures: The Department of Local School Finance approved school construction projects worth \$976 M during CY 2000 and \$858 M during CY 2001. Of the \$976 M, \$43.3 M were budgeted for architect fees on the construction projects. The school construction included new facilities, additions, and remodeling, so the architect fees for new facilities would be less than \$43.3 M for CY 2000 or the \$39.8 M for CY 2001. After June 30, 2004, when DOE has developed the standardized plans, local school corporation architect fees for construction of new school facilities should diminish significantly. Schools that choose not to use the standardized plans may incur additional expense in the notification to taxpayers of the decision and possible referendum. There would be no additional cost of holding the referendum during a general election or primary.

Explanation of Local Revenues:

State Agencies Affected: Department of Education.

Local Agencies Affected: Local Schools.

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